

ORIGINAL ARTICLES

ON PERIODIC PREPAYMENT PLANS*

By LOWELL S. GOIN, M. D.
Los Angeles

A PREPAYMENT plan of medical care is one in which groups of persons or individuals make periodic payments into a pooled fund, from which fund payments for medical care (including hospitalization) may be made when indicated. Such plans, the antithesis of the traditional "fee for service" method of payment, came into existence as the effect of multiple and complex causes. If time permitted, we might trace these causes back to rather remote periods, and we might make out a good case for the argument that the die was cast when capitalism succeeded feudalism—when men exchanged status for contract. The employee, bound by a wage contract with an employer, had to depend on his own resources to stave off misfortune. With the end of feudalism came also the end of personal assistance to be expected from an overlord or from a guild. Great shifts in population occurred; old occupations vanished and new ones appeared; and all of these things, coupled with cyclic periods of production and suspension of commercial activity, are among the fundamental factors responsible for the rise of prepayment plans.

TRENDS IN OUR OWN TIMES

That the proponents of the necessity for change in our methods of supplying medical care have made fantastic claims is indisputable. So-called economists are quoted as stating that one-third of our people receive no medical care—an obviously ridiculous statement. Harebrained theorists, activated by various motives, some of them fairly pure, have made equally silly statements; but when we have discounted these adequately, there remains a residue of truth. That truth is, in my own opinion, that we are caught up in the grip of powerful social tendencies, apparently irreversible in trend, having their origins in remote and complex causes, and which will overpower us unless we can command them. Nearly one hundred years ago Louis Napoleon said: "March at the head of the ideas of your era, and those ideas will follow you and support you. March in their rear, and they will engulf you. March against them, and they will destroy you."

MAXIM OF LOUIS NAPOLEON

If I have correctly stated the basic facts concerned; if we can agree on these as premises, then it would seem that we are justified in heeding Louis Napoleon's maxim, and in making our attempt to march at the head of these ideas, lest they destroy us. If we must lay aside the traditional fee-for-service plan of supplying medical care, we shall do so regretfully, not because of economic or financial considerations, but because, under that method we, and those who have gone before us, have provided

medical care with sincere devotion to the ideals of our profession, and with earnest, almost religious zeal for the welfare of our patients. We remember, and we hope that the world will remember, that even this tested and time-honored method was not of our choosing, but was forced upon us by a world in transition to its modern industrial status. If we discard this method, either in whole or in part, we have left, as alternatives, state or public medicine—a plan in which all physicians are paid servants of the State—and the prepayments plans. The first we shall dismiss with our solemn anathema, hoping that we shall not be forced into the necessity of becoming unionized as a last defense against such servitude.

GROUPING OF PREPAYMENT PLANS

Periodic prepayment plans fall naturally into three groups: those privately conducted; those operated by large groups, such as county or state medical societies, or like groups; and those instituted by the state and established by statute. All are periodic prepayment plans, and all purport to take advantage of the same principle, *e. g.*, the spread of unpredictable individual costs over large groups of people.

It may be argued that none of these are in such a state of perfection as to make them worthy of being our model, and this is true. But it is also true that it has, in the very nature of human reason and conduct, to proceed step by step from the imperfect to the perfect, and that perfection has not yet been attained is not a sure foundation for the thesis that it is unattainable. In establishing truth, said St. Thomas Aquinas, "we are aided by the reception of truths from those who have discovered them, and by our ability to avoid what have been proven errors." We must, therefore, look at what prepayment plans there are and have been, if we are to profit by the knowledge and experience thus gained.

RECENT SURVEYS BY AMERICAN MEDICAL ASSOCIATION BUREAU OF MEDICAL ECONOMICS

There have been approximately twenty privately conducted plans surveyed by the Bureau of Medical Economics of the American Medical Association. These have been found to be open to certain common objections, partly professional, partly ethical, and partly economic. It is certain that such groups cannot secure subscribers in sufficient number to insure a reasonable degree of success without solicitation. The ethical prohibition of the solicitation of patients was not intended to soothe the vanity or bolster up the dignity of the physician, but, on the contrary, exists for the protection of the patient. Solicitation implies solicitor; and whether that solicitor be the physician himself or his paid agent, it must be clear that the claims of skill, honesty, experience, secret remedy, or what not, would be limited only by the limit of the imagination or unscrupulousness of the solicitor. The sick, untrained in distinguishing between medical ability and outrageous claims, would most certainly be led not to the best doctor, but to the one whose scruples or lack of them permitted him to promise the most.

* Address given at the third general meeting of the California Medical Association at the sixty-eighth annual session, Del Monte, May 1-4, 1939.

Solicitation of patients, then, may fairly be classed as an evil, and as a grave objection to any plan which requires it. At this point I propose to diverge for a moment to answer a question that has been raised several times, and even now I can picture some of you as thinking: "Isn't California Physicians' Service going to advertise, and isn't it going to solicit patients?" As Voltaire said, "If we are going to dispute, we must define our terms." Ethics is that branch of knowledge which deals with the relationship of man to man—the science of human conduct. If Dr. A. advertises, he puts to disadvantage Dr. B., who does not; and herein lies the germ of an ethical controversy. But if the California Medical Association advertises, who is injured? How could it be a violation of the ethical prohibition of advertising by a doctor if all the doctors advertised, say the benefits of pneumonia serum? Solicitation, in the meaning of the code of ethics, means the inviting or urging of a person to become the patient of the doctor on whose behalf solicitation is made. California Physicians' Service proposes nothing of the sort. It can have no patients, nor can it practice medicine. It will, no doubt, urge people to become beneficiary members of its corporation so that the corporation can use the pooled funds of its members to pay some doctor chosen by the patient. If this is solicitation of patients, the English language is in a sad state of decay.

PLACE OF ALLEGIANCE

But to return to the immediate subject: A physician employed by a private group owes allegiance primarily to his employer, while the whole theory of medical practice contemplates that allegiance as directed toward the patient. It seems inevitable that the physician thus situated must come eventually to regard his profession as a sort of piecemeal to be got through with as expeditiously as possible. Thus is the traditional and very important patient-physician relationship destroyed, to the great disadvantage of the sick and the lowering of the standards of medical care. With the rise of multiple group plans, unfair and even vicious price-cutting is inevitable. If Group A is more successful than Group B, the latter will reduce its rate as an inducement to A's subscribers to join B; Groups C and A must then meet the new rate, and this can and will be continued until the standards of medical service in time, necessitated by the low rates, will be such that the sick public will suffer intensely.

TWO MEDICAL SERVICE PLANS

Despite the claimed economy of such plans, the Bureau of Medical Economics found that, while average costs of private practice are between 27 and 34 per cent of gross income, the cost in private group practice is between 40 and 42 per cent of gross income. Economically, professionally, and ethically, then, these plans seem undesirable. There remain two methods of organization and operation of such plans, *e. g.*, that which is set up by statute—compulsory health insurance—and that set up by voluntary organization of large and representative groups of physicians. We have seen both methods proposed simultaneously in this state:

California Physicians' Service and the so-called administration bill for compulsory health insurance.

TEN PRINCIPLES ESTABLISHED BY THE AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Although it is likely that you are all quite familiar with the salient points of both proposals, it may be worth while briefly to compare them. A convenient way to do so will be to set up the salient characteristics of each against the ten principles established by the House of Delegates of the American Medical Association.

1. All features of medical service in any method should be under the control of the medical profession. California Physicians' Service offers service under the immediate control of the physician giving it, and such other control as may be required in the hand of physicians elected by physicians. Compulsory health insurance reposes this control in the hands of a group of five laymen.

2. No third party must be permitted to come between the patient and his physician in any medical relation. California Physicians' Service complies with the dictum, but the compulsory plan interposes the politically appointed medical director, the governing authority, and even the advisory council. The second principle also adds that all responsibility for the character of medical service must be borne by the profession—a thing easily realized under our voluntary plan, and one completely unattainable under compulsory health insurance.

3. Patients must have absolute freedom to choose a legally qualified doctor of medicine. Under California Physicians' Service they may do so, when and if the need for medical service arises. Under compulsory health insurance they may do so, too, and include osteopaths, but they must choose in advance of need, and if they do not the state will choose for them. Moreover, if a patient is dissatisfied with his medical attendant under the voluntary method, he may change the attendant with as little ceremony and as easily as he does now; but under compulsory insurance the consent of the authorities is necessary and, if past experience is a proper guide, the patient will be either dead or have recovered before the red tape is even partly unwound.

4. The method of giving the service must retain a permanent confidential relation between patient and physician; and this relation must be the fundamental and dominating feature of any system. The impossibility of fulfilling this requirement under compulsory insurance must be obvious. It may be fulfilled without difficulty under the voluntary method.

5. (In part.) All medical phases of all institutions involved in the medical service should be under professional control. When one considers the plan of diagnostic centers and public hospitals contemplated by the pending legislation, it is perfectly apparent that compliance with this doctrine is completely impossible.

One might diverge here, for a moment, and remark that these ten principles which we are discussing are the considered judgment of the representative physicians of America. They are not

the opinions of self-appointed medical advisors to political groups; nor even the profound thoughts that emanate from the mysterious recesses of the minds of economists. Just the considered judgment of America's representative medical men, whom a plain man might expect to know more about the practice of medicine than even a professor of sociology, or a doctor of law.

6. In whatever way the cost of medical service may be distributed, it should be paid for by the patient in accordance with his income status, and in a manner that is mutually satisfactory.

The voluntary plan offers a method by which this may be done; the compulsory plan makes employer and state contribute to the payment of these costs. The one offers a dignified, self-respecting method of self-help, compatible with our American way of life, while the other takes one more step toward the subjugation of the citizen by the state!

7. Medical service must have no connection with any cash benefit; the voluntary plan, of course, complies absolutely with this rule, but the compulsory plan flatly rejects it. It is curious, incidentally, that it does not seem to occur to the master minds who promote compulsory health insurance that if sickness disability benefits are needed they can easily be supplied by a simple amendment to the Unemployment Reserve Act, and that there is no need to tie them into a system of medical care.

The eighth and ninth rules are reasonably complied with by both plans of prepayment care, and need not be discussed here.

10. There should be no restrictions on treatment or prescribing not formulated and enforced by the organized medical profession. With compulsory health insurance administered by the governing authority—apparently the Unemployment Reserves Commission, through a politically appointed medical director and with the advice of an advisory board, consisting of two representatives of employers and three representatives of labor—the impossibility of even remotely approaching compliance with this dictum is apparent, while, under the voluntary method, compliance is complete.

IN CONCLUSION

Thus it would seem, assuming that we have stated principles correctly, and have reasoned logically, that social trends beyond our control are inexorably forcing us toward a change in the plan of administering medical care. If we are to discard, however unwillingly, the traditional fee-for-service basis of payment, we must substitute something for it. Our alternatives seem to be public or state medicine on the one hand, and periodic prepayment plans on the other. That all contain objectionable features cannot be denied, but our task is to choose that method containing the smallest number of such objections, and the one whose flexibility is such that we may hope to mold and shape it. The present high plane of medical practice is largely the result of constant supervision of that practice by organized societies of physicians. When professional control of the practice of medicine is destroyed, the result is an impersonal perfunctory service, and the only method we can now see which will prevent this disastrous

result by retaining the necessary supervision is that of the voluntary prepayment plan. Its success, the high standards of medical care, and the satisfaction which you will feel with it, rest in your hands; you are the shapers of its destiny, and, since its destiny and yours are one, of our own.

1930 Wilshire Boulevard.

POLIOMYELITIC INFECTION: ITS BASIC NATURE*†

By HAROLD K. FABER, M.D.
San Francisco

IT is very important that the practitioner should have as clear an idea of the nature of poliomyelitic infection as possible in order that he may properly interpret the clinical signs and symptoms, know what measures are useful in treatment, and know what can and what cannot be accomplished in the way of prevention. Poliomyelitis has long been the subject of confusing and conflicting opinions regarding such fundamental things as the nature of the infecting agent, the manner and route by which it enters the human body, the parts of the body which it infects, and the order in which they are infected. To make matters worse, it is clear today that certain concepts have been so positively propounded by past authorities that they have been learned and accepted by the medical profession as a whole. Unlearning them will require time.

FILTERABLE VIRUS

That poliomyelitis is caused by a filterable virus of extremely minute size may now be accepted as proved; and claims that it is due to streptococci or other visible bacteria can be definitely and finally discarded.

The virus has strongly and, perhaps, almost exclusively neurotropic properties. Its natural host is the nerve cell, and it has no known capacity for multiplication in any other type of tissue. It may survive for a time in the nasopharynx, tonsils and cervical lymph nodes, but it has not been recovered with certainty from any other tissues outside of the nervous system in human beings. Even within the central nervous system it shows certain preferences for some types of cells over others. So far, therefore, as present knowledge goes, it is incapable of setting up a generalized or systemic infection; nor does it form a toxin. This point is stressed because, as will be discussed later on, poliomyelitis is frequently referred to as a primary systemic infection with secondary nervous manifestations; which implies that it is blood-borne and reaches the central nervous system through the blood stream. Virus has never been recovered from human blood, and disappears with great rapidity from the blood stream in animals injected intravenously.

There is sound reason for believing that the virus of poliomyelitis, like some other neurotropic

* From the Stanford University School of Medicine, San Francisco.

† Read before a joint meeting of the sections on General Medicine and Pediatrics of the California Medical Association at the sixty-eighth annual session, Del Monte, May 1-4, 1939.

‡ Lack of space prevented appearance in this issue of two additional articles in this symposium on Poliomyelitis. See also in this issue, on page 67.